CARLE, MACKIE, POWER & ROSS LLP
WILLARD A. CARLE III (095703)
DAWN M. ROSS (143028)
100 B Street, Suite 400
Santa Rosa, California 95401
Telephone: (707) 526-4200
Facsimile: (707) 526-4707

HELLER EHRMAN WHITE & McAULIFFE LLP
ALEXANDER L. BRAINERD (42722)
KEITH R. WEED (95563)
ELIZABETH H. RADER (184963)
525 University Avenue
Palo Alto, California 94301-1900
Telephone (650) 324-7000
Facsimile: (650) 324-0638
Attorneys for Plaintiffs
Rodolfo Di Massa M.D. and Karl Nigg

Attorneys for Plaintiffs
Dr. Rodolfo Di Massa and Karl Nigg

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SONOMA

RODOLFO DI MASSA, M.D. and KARL NIGG Plaintiffs, v. SIMON STERTZER M.D., et al. Defendants, and STENTICOR INTERNATIONAL, INC., a California Corporation, Nominal Defendant.	Case No. 222363 DECLARATION OF PAUL BONNEAU, JR. *Unlimited Civil Case*

I, PAUL BONNEAU, JR. (often spelled Boneau) declare and state as follows:

1. The facts set forth herein are personally known to me, unless otherwise stated, and if called as a witness I could and would testify competently thereto under oath.

2. In 1986, I was one of the principals involved in forming Stenticor International Inc. The other principals were my father (Paul Boneau Sr.), my brother (Michael Boneau), Karl Nigg, Dr. Rodolfo Di Massa, Dr. Simon Stertzer and Dr. Richard Myler. In addition to contributing a small amount of capital to the company, we all contributed our time and ideas. None of us were employed by Stenticor or received any form of compensation from Stenticor.

3. Shortly after forming Stenticor, we each signed a Shareholder Confidential Information and Invention Agreement. A true and correct copy of the Agreement which I believe was signed by me is attached hereto as Exhibit A. (Now Exh. D1)

4. My primary role as a member of Stenticor was to machine and produce the stents conceived by Dr. Di Massa and known as the "Di Massa Sleeve." My father assisted with the original specifications and production, but later retired and left the production to me.

5. We completed the machining and production of the Di Massa Sleeves at our family-owned businesses - Valley Centerless Grinding and Pegasus Manufacturing. Both companies were precision machine shops located in Santa Clara, California. I was the Vice President of Manufacturing for both companies. The vast majority of our business was the fine machining of parts for computer disk drives. We did very little work with medical devices. Our first company, Valley Centerless Grinding, went out of business in approximately 1986. Our second company, Pegasus Manufacturing, went out of business in October 1988.

6. My brother, Michael Boneau, had very little background or experience in precision machining. Michael's position with the family-owned machining businesses was sales and marketing. I believe his role with Stenticor was contacting potential investors.

7. At the first Stenticor shareholder meeting, in late 1985, I recall Dr. Di Massa discussing the need to come up with a different idea for the stent. Dr. Di Massa told us that the Di Massa Sleeve, which had a solid rigid wall, was difficult to introduce because it would not bend, and also because it had to be introduced surgically, rather than with a catheter.

8. In late 1986 or very early 1987, I recall talking to my brother Michael about various ideas for an expandable stent design. One of the designs we discussed at this time was a sinusoidal design. I suggested to Michael that we take a ring or a straight wire with a width of

10/1000 and bend it into peaks and troughs, so that it could be compressed and expanded. I am not sure where the idea of the sinusoidal design came from, but I am the one who came up with the idea of bending a straight wire or a wire ring. I suggested that we use the same surgical stainless steel and finishing technique currently being used on the Di Massa Sleeve.

9. I do not recall having any further conversations with Michael about this until late 1988 or early 1989, shortly after Pegasus Manufacturing went out of business. At this point in time, Michael called me and asked me if I could make 75-80 surgical steel rings which could then be bent into expandable stents in a sinusoidal design. Michael told me that he and Dr. Stertzer were going to take the stents to South America to conduct trial implants in humans. I called a friend, asked to use his shop, and machined 75-80 surgical stainless steel rings, which could then be bent to form the expandable stents.

10. After producing the rings, I went to Michael's home to work with him on creating the stents. We sat in Michael's garage and bent the stainless steel rings into stents, in a sinusoidal pattern, using a six-pin tooling device and electropolishing them to a fine finish. The stents were made out of the same material as the Di Massa Sleeve, were hand polished to a .010 micron finish, and then eletropolished, the same as the Di Massa Sleeve.

11. The entire time we were making the expandable sinusoidal stents, I assumed that all of the work we were doing was for Stenticor. I was not aware that Dr. Stertzer had resigned from Stenticor and I believed the corporation was still active. Neither my brother, my father, or anyone else had told me the corporation was no longer in business.

12. It was not until we finished making the 75-80 expandable stents that afternoon that I learned we were not making the stents for Stenticor. Michael told me that when he sold the stent he would give me 5% of the earnings. I asked him what he was talking about, as I owned 7.5% of Stenticor. Michael then said "this is all mine bro, not Stenticor's."

13. I was shocked and disgusted after hearing this from Michael. This idea was generated in late 1986 or very early 1987 when we were all part of Stenticor, I personally helped him make the stents in late 1988 and, in my opinion, the idea belongs to Stenticor.

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14. I did not want any part of the theft Michael was committing, but I also did not want to get my brother into trouble. So, I kept the information to myself and ceased all contact with my brother. I did not inform Dr. Di Massa, Mr. Nigg, or anyone else from Stenticor, that Michael and Dr. Stertzer were developing the expandable stent on their own.

15. I did not talk to my brother Michael again for almost ten (10) years, when he called to tell me he was rich and invite me to his wedding reception. Since then, I once visited Michael's home and saw his patent, along with one of the expandable stents, framed and mounted on his wall. It is the same stent design he and I discussed in late 1986/early 1987 and produced at his home in 1988/89.

16. In early 2000, I was contacted by lawyers representing Dr. Di Massa. I met with the lawyers and told them the facts, as set forth above. They showed me the attached letter from Simon Stertzer (Exhibit B (Now Exh. D2) hereto). It was the first time I had ever seen the letter. I believe the letter contains several false statements. First, I do not recall a shareholder meeting on June 3, 1987. If there was such a meeting, I did not attend. Second, I do not believe there was any estrangement between my family members and the other members of Stenticor at that time. Certainly, I was not estranged from any of the members of Stenticor at that time. Finally, our machine shop was capable of producing any products contemplated by Stenticor. No one had ever talked to me about a Stenticor product other than the solid rigid wall stent and the expandable wire stent in a sinusoidal design, both of which we could and did produce.

17. The lawyers also asked about the attached letter from me to Dr. Di Massa dated April 17, 1986 (Exhibit C (Now Exh. D3) hereto). While I believe I signed this letter, I did not write it. I believe it was prepared by my father's attorney, who at the time may have been Kevin Courtney. As stated in the letter, my father, brother and I considered the method of manufacturing the Di Massa Sleeve a trade secret. We never wrote it down or divulged it to the other members of Stenticor because we did not want it to become public knowledge or to be stolen by others. It was part of the value our family brought to Stenticor when the corporation was formed.

18. This declaration consists of five (5) pages, with the substantive paragraphs on pages 1-4 and my signature on page 5.

I declare under penalty of perjury under the laws of the State of California and the United States of America, that the foregoing is true and correct.

Executed on May 12, 2000, at Fremont, California.

PAUL BONNEAU, JR.

STENTICOR INTERNATIONAL, INC.

SHAREHOLDER and EMPLOYEE CONFIDENTIAL INFORMATION

and INVENTION AGREEMENT

In consideration of my ownership interest and employment by and with STENTICOR INTERNATIONAL, INC. I, the undersigned individual do hereby agree to the following terms and conditions:

1. I will not disclose or reveal to anyone outside of STENTICOR INTERNATIONAL, INC., hereinafter referred to as STENTICOR, or use in other than STENTICOR business, any confidential information or material relative to the business of STENTICOR or its subsidiaries, either during or after my STENTICOR employment, except with the express written approval of STENTICOR first obtained. I also understand that information and materials received from other STENTICOR employees, vendors, or third parties is included within the meaning of this paragraph. I expressly agree that all research, development, manufacturing processes, writings, and other work done on the DIMASS SLEEVE, prior to the formation and incorporation of STENTICOR, shall belong to and be the property of STENTICOR and shall be included within the terms and meanings of this AGREEMENT. I further agree that all work done, to date, on the DIMASS SLEEVE shall be treated as a trade secret and I will do all acts necessary to protect said trade secret.

2. I agree to comply, and do all things necessary for STENTICOR to comply with United States Government regulations, including but not limited to the Food and Drug Administration, and with the provisions of any contracts between STENTICOR and any medical facility in the United States or any other country that STENTICOR shall do business.

3. I hereby assign to STENTICOR my entire right, title, and interest in any invention or idea, patentable or not, hereinbefore or hereinafter made or conceived solely by me, or jointly with any other employee of STENTICOR, which relates in any manner to the actual or anticipated business of STENTICOR and its subsidiaries, or is suggested by or results from any work or task assigned to me, or work performed by me, for or on behalf of STENTICOR. I further agree that this Paragraph 3 shall mean to include all medical research, manufacturing and development done on the DIMASS SLEEVE for and on behalf of Cardio Vascular Products, hereinafter referred to as CVP, prior to the formation of STENTICOR.

4. I agree, in connection with any invention or idea covered by this AGREEMENT, including the medical research, manufacturing processes and ideas developed for STENTICOR and/or CVP, as follows:

a) I will disclose the idea and/or invention promptly to STENTICOR; and

b) I will, on the request of STENTICOR, promptly execute a specific assignment of title to STENTICOR, and do anything else reasonably

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necessary to enable STENTICOR to secure a patent therefor in the United States and in any foreign country; and

c) I will treat any invention or idea, covered by this AGREEMENT, as a trade secret and will not reveal any of the processes used or developed for the manufacture of any product of STENTICOR.

d) I will, upon termination of my employment with STENTICOR or upon termination of this AGREEMENT, immediately return to STENTICOR all records, documents, writings, and other information received by me during the term of this AGREEMENT or during the period of my work for CVP.

5. I represent that I have indicated on the back of this AGREEMENT any inventions or ideas not covered by the terms and conditions herein contained, in which I have any right, title, or interest, and which were previously conceived wholly or in part by me, but neither published nor filed in the United States Patent Office, and I have herein identified all of said ideas and inventions.

If there are no ideas or inventions write "NONE" on the next line.

NONE

6. I acknowledge receipt of a copy of this AGREEMENT, and agree that with respect to the subject matter hereof, it is my entire agreement with STENTICOR, superceding any previous oral or written agreements, representations, contracts, or understandings with STENTICOR or CARDIO VASCULAR PRODUCTS (CVP), their partners, stockholders, officers, employees or representatives.

7. I agree that if any dispute shall arise over the terms and conditions contained herein, said dispute shall be referred to the American Arbitration Association for binding arbitration according to the rules and regulations of the American Arbitration Association. All costs of arbitration shall be shared equally by myself and STENTICOR. Any award of the Arbitrator shall be final and conclusive on myself and STENTICOR and both parties agree to be bound by said decision.

Executed on , 1986 at California.

Witness Signed

Witness

SAN FRANCISCO - PENINSULA
CARDIOVASCULAR MEDICAL GROUP, INC.

Richard K. Myler, M.D., FACC, FACP, FSCA
Robert W. Dunlap, M.D., FACP, FACC
Colman Ryan, M.D., M.R.C.P., FACP, FACC, FACA
Simon H. Stertzer, M.D., FACC, FACP, FSCA
David A. Clark, M.D., FACC, FSCA
Harvey S. Hecht, M.D., FACC
Carl L. Hanson, M.D.

1900 Sullivan Avenue
Daly City, California 94015
(415) 991-5200

Business Office
395-85th Street, Suite 221
Daly City, California 94015
(415) 991-9510

15215 National Avenue, Suite 103
Los Gatos, California 95030
(408) 356-3666

June 4, 1987

Mr. Karl Nigg
6849 Hampton Street
San Jose, CA 95120

Dear Karl:

I was quite distressed to learn that Michael and Paul Boneau were estranged from the other three Stenticor stockholders present at the meeting last night in San Jose. It was equally disconcerting to be apprised of the fact that promises for new products and product manufacture were not properly within the purview of Michael and Paul. As I have stated to you and Paul Sr., the business climate created by such a poor interpersonal relationship is inconducive to my continuing to deal with Stenticor as any form of stockholder.

Most disappointing, however, is the failure of the solid Stenticor device to meet any of the demands for clinical use that are being addressed by at least three other competitive products at this time. We consequently feel that it is no longer appropriate to continue to be a stockholding member of a corporation whose product I honestly no longer feel will have a role in the treatment of coronary atherosclerotic heart disease.

Consequently, I should like to turn my shares over to you as the secretary of the corporation and apprise Paul as president that my resignation is tendered as of today. I would hope that the resignation of ownership will result in some return of the value of this stock. However, if your expenses have totally devalued the assets of the corporation so that the stock certificate is no longer redeemable for any legal tender, I will accept that state of affairs without any further auditing of the business expenses.

With respect to the evaluation of this device in peripheral vessels, I would still stand by my offer to Dr. DiMassa to place this stent within the brachial or radial system of a patient undergoing valvuloplasty

D2

if there is reason to believe that it has any ultimate role in the peripheral vasculature. I would be doing such a service as an independent investigator in the same way that I would be looking into any other clinical material, obviously, and not as a member of Stenticor Corporation. For me to do this, I must have appropriate sized material according to the specifications that were given to Mr. Paul Sr. last evening.

Thanking you for your kind consideration and your honest attempt to make a go of this product, I am yours,

With best regards,

SIMON H. STERTZER, M.D.
Director of Medical Research
San Francisco Heart Institute

SHS:cs

PAUL BONEAU, JR.
401 Nolo Street
Santa Clara, CA 95054

April 17, 1986

Dr. R. DiMassa
6845 Hampton Drive
San Jose, CA 95120

Dear Dr. DiMassa:

I would like to thank you for your letter of April 11, 1986. I'm pleased to have the opportunity to continue a dialogue so we may put this situation behind us.

I'll try to address. individually, the concerns you expressed in your letter:

1. On March 24, 1986 the members of Stenticor International met at the home of Dr. Mylar. We discussed a few miscellaneous business items then the attention was focused on the fact that we had not yet received your signed Stenticor Nondisclosure Agreement. After much discussion between you, members of the Board, and Dr. Mylar specifically, you stated that you felt your problems were now resolved and that you would sign the agreement and have it to Carl Nigg on or before April 1, 1986.

2. For whatever reason, you believe that your nondisclosure agreement was different than everyone else's. I, personally, took it upon myself to review a copy of the agreement sent to you and the agreements signed by the other members of Stenticor. They are indeed identical, word for word.

3. During the three year existance of CVP, the exact manufacturing process for the DiMassa sleeve was never revealed to you. It has never been revealed to anyone to this day. According to the agreements for both CVP and Stenticor, that process is to be treated as a trade secret. The process is only known to those who need to know. The manufacturing process is now being documented and will be placed in the Stenticor records but, here again, only to be reviewed on a "need to know" basis.

D-3

4. You requested a copy of the by-laws of Stenticor. The by-laws are a standard format and are not written differently for Stenticor than any other business incorporated in the State of California. If you still feel it necessary to have a copy I will see to it that one be made available for you.

5. You wanted a written reference recorded in the corporate minutes of the ways and means of obtaining funds for the continuation of the project. At this time, you are the only member that is insistant and concerned about capital. We cannot implement, in writing, ways of raising funds if the Board has not yet deemed it necessary.

6. In reference to your statement about discussing the CVP project with Drs. Stertzer and Mylar, you, your self, and all other members of CVP agreed to talk with these gentlemen. Because of their importance in the medical community, we felt it was not necessary to bind them with any agreement.

7. Finally, you expressed concern regarding Michael Boneau giving Dr. Stertzer a few of the DiMassa sleeves. Prior to this time, we had a verbal agreement with Drs. Mylar and Stertzer regarding the confidentiality of this project. The sleeves you mention were not made of the proper material nor were they designed to be or capable of being implanted. They were simply model sleeves that we had used in the past.

The sanctions you referenced in your letter were not directed toward you specifically. According to the Stenticor agreement and my responsibilities as president I was left with no alternative. As you know, this is an important project and anyone involved, be it employees, partners, outside contractors, or consultants, will have to sign a nondisclosure agreement in order to protect you and Stenticor. The continued cooperation of Stenticor's members is esstential for our success.

I believe the above statements are true and factual and are open for further discussion. I would like to meet with you and Carl at your earliest convenience to resolve this matter so we may get on with our business.

Very truly yours,

Paul Boneau, Jr.
President -

PB/mf

cc: Michael Boneau
Paul Boneau, Sr.
Dr. Richard Mylar
Carl Nigg

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